FOR MYSORE STATE

Dev. (1950) Department

Ms SERIES.

G.O. No. 1342

Dated 1-4-50

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[Despatch Abstract.]

Industries - Sericulture Import of Raw silk from Italy Advance Payment opening of an irrevocable letter of Credit for Rs 3,29,000/- ordered

No.4163-D1/49

Department of Industries & Commerce
Mount Road, Cathedral P.O. Madras-6
Dated the 17th March 1950.

From

SRI M.T.RAJU, Bar-at-Law, I.C.S.,
Director of Industries & Commerce, Madras.

To

The Secretary to Government,
Development Department,
Fort.St.George, Madras.

Sir,

Sub: Import of Raw Silk from Italy.

Ref: Government Memorandum No.11745-DI/50
Development, dated the 11th March 1950.

Particulars regarding the quantities of raw silk for which import licences have been issued and the names of parties to whom such licences have been granted, etc., have not yet been received from the Chief Controller of Imports, New Delhi, in spite of reminders from me.

I understand that the Mysore Government have imported about 13,000/- lb. of silk from Italy by air against the licence granted to them for 50,000 lb. Messrs South Indians Silks, Gudiyattam, have also obtained about 2,400 lb. of silk from Italy by air under an import licence granted to them. The lowest cost of the imported silk is understood to be Rs.38/- inclusive of air freight which amounts to Rs.3/8/0 per lb. However, there is still considerable dearth of raw silk in the market and representations are being received urging the import of silk, All the filatures in the Mysore State as well as our own are practically closed down for want of cocoons due to adverse seasonal conditions with the result that the indegenous production of silk is very low. In the circumstances, I consider it would be expedient to take immediate action to import for the present 15,000 lb. from Italy and the balance of about21,000 lb. after watching developments for some time when we may get the reply from the Chief Controller of Imports also. I had therefore sent out cables to a few firms in Italy and have received their quotations. According to the offer of Messrs.S.O.C.An.Filatura, Milano, which is the lowest rate quoted for Yellow Silk, A grade, 85% simplane, is 74 sh. less 2% c.i.f. This works out to about Rs.22/- per lb. c.i.f. Madras. Adding 30% ad valorem duty and Rs.6/- Specific duty, the landed cost per lb. of silk works out to Rs.34-9-6 or say Rs.35/-.

It is understood that no Italian firm would be prepared to ship the consignment without an irrevocable letter of credit being opened in its favour through our bankers in Italy. The c.i.f. value of 15,000 lb, which I propose to import for the present for which an irrevocable letter of credit has to be opened come to about Rs.3,29,000. I therefore request that Government may be pleased to sanction the advance payment of Rs.3,29,000/- by opening an irrevocable letter of credit by arrangement with the Reserve Bank of India out of the sanctioned expenditure, of RS.38,85,000/- accorded in G.O.Ms.No.5038, Development dated the 30th October 1949. I may add that as no provision for the expenditure on the import of this silk has been made in the current year, I propose to ask the firm to ship the goods early in April so that payment could also be made only in APril.

Since the prices of raw silk in Italy have begun to show an upward trend, I request the favour of immediate orders in order that I may be able to place an order before the prices soar up with the Italian firm.

xxxxxxxx
For Director of Industries & Commerce.

/True copy/

Abstract

INDUSTRIES - Sericulture - Import of raw silk from Italy - Advance payment - Opening of an irrevocable letter of credit for Rs.3,29,000/- Ordered-

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DEVELOPMENT DEPARTMENT

G.O.Ms.No.1342, Dated 1st April 1950.

Read again:-

G.O.Ms.No.5038 Development dated 13-10-49.
Letter Ms.No.5039 Development dt.13-10-49.

Letter from D.I.& C. No.4163 D1/49 dt.7-2-50.
Letter from the D.I.& C.No.4163 D1/49 dt.17-3-50
Letter from the -do- -do- dt.29-3-50.

ORDER

In the circumstances reported by the Director of Industries and Commerce in his letter second read above, His Excellency the Governor of Madras permits the Director of Industries and Commerce to offer an irrevocable letter of credit to the value of Rs.3,29,000/- (Rupees three lakhs and twentynine thousands only) representing the cost including freight value of 15,000 pounds of Italian raw silk, in favour of Messrs.S.O.C.An.Filatura, Torcitura, Milano (Italy) through the REserve Bank of India, Madras out of the amount of Rs.36,85,100/- sanctioned in the G.O.read above.

2. The Accountant General, is requested to admit the expenditure in audit pending provision of funds. The Director of Industries and Commerce is requested to submit necessary proposals to Governments in due course for the provision of funds.

(BY ORDER OF HIS EXCELLENCY THE GOVERNOR)

TO the D.I.& C.
To the Accountant General thro' Finance.

/True copy/

SUPERINTENDENT

AR.14/7.
K.V.Ambujalakshmi 16/7
N.Raghavan